



مركز قطر للمال
Qatar Financial Centre

PMI[®]
by **S&P Global**

News Release

Purchasing Managers' Index™
MARKET SENSITIVE INFORMATION
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Qatar Financial Centre PMI™

Business activity continues to expand strongly in August

- Output growth in August remains stronger than in first half of 2023
- Prices charged for goods and services fall for fourth month running
- Growth of employment sustained for sixth consecutive month

Data were collected 10-23 August 2023

Doha, Qatar: 5 September 2023 – The latest Purchasing Managers' Index™ (PMI™) survey data from Qatar Financial Centre (QFC) indicated a further strong expansion in the non-energy private sector in August. Output, new orders, employment and purchasing all rose since July, and the 12-month outlook remained positive. Companies continued to complete outstanding business, and cut their prices charged for goods and services for the fourth successive month.

The Qatar PMI indices are compiled from survey responses from a panel of around 450 private sector companies. The panel covers the manufacturing, construction, wholesale, retail, and services sectors, and reflects the structure of the non-energy economy according to official national accounts data.

The headline Qatar Financial Centre PMI is a composite single-figure indicator of non-energy private sector performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases.

The PMI posted 53.9 in August, little-changed from 54.0 in July, indicating another strong improvement in business conditions. The latest figure remained above the average for the first half of 2023 (52.5) and the long-run trend since 2017 (52.3).

New business increased strongly in August. The rate of expansion eased further from May's recent peak but remained well above the long-run survey average. There was a notable boost to new orders at manufacturing and financial services businesses during the month.

Total business activity among Qatari non-energy private sector firms rose further in August. Output has risen every month for more than three years, except for a brief correction in January following the conclusion of the FIFA World Cup Qatar 2022™. The latest rate of expansion was the third strongest of 2023 so far.

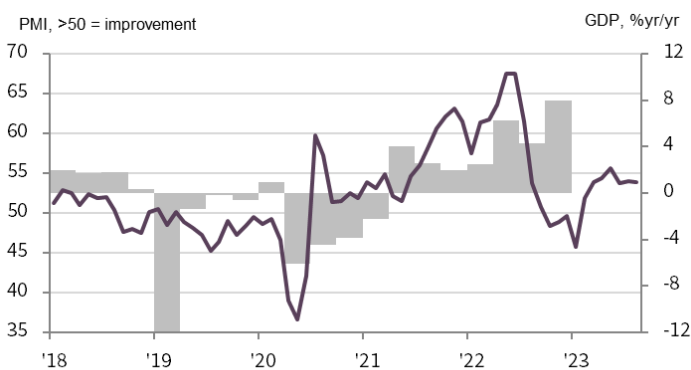
The 12-month outlook for the non-energy private sector remained optimistic in August. Positive expectations were broad-based by sector with manufacturers being the most optimistic, followed by wholesalers and retailers.

Non-oil private sector employment expanded for the sixth month running in August, the second-longest sequence of continuous job creation in the survey history. Recruitment was again notably strong at service providers.

Purchases also rose for the sixth consecutive month in August. Despite higher demand for inputs, supply chains continued to improve as average lead times fell for the sixteenth successive month, a series-record sequence. Input inventories rose only slightly again, suggesting companies continued to manage stock levels efficiently.

Cost pressures were broadly in line with the long-run average in August, although staff costs rose the most since February. Meanwhile, output prices fell for the fourth month running, albeit only modestly.

QFC Qatar PMI™ vs. GDP



Sources: QFC, S&P Global PMI, Qatar's Planning & Statistics Authority.



Financial Services

Fastest rise in new business for a year

- Financial Services New Business Index at 12-month high of 64.1
- Employment increases at fastest pace since October 2021
- Total activity growth remains strong

Demand for Qatari financial services accelerated in August, with new business volumes at financial services providers increasing at the fastest pace since August 2022.

Rising demand in the sector prompted firms to boost their workforces at the fastest rate in nearly two years, with the Employment Index posting a 22-month high of 54.0. Total financial services activity increased at a marked rate in line with the six and a half year series average, and the 12-month outlook remained positive.

August data signalled lower charges levied by finance companies in Qatar, the second instance of discounting in three months. Average input costs rose only marginally.

Comment

Yousuf Mohamed Al-Jaida, Chief Executive Officer, QFC Authority:

"The PMI for Qatar has held steady over the past six months at a level consistent with solid economic growth. Since March the headline figure has sat in a narrow range of 53.8-55.6, comfortably above the long-run average of 52.3.

"Activity, new business, employment and purchasing all rose further in August, while the level of outstanding work continued to fall as capacity expanded.

"Recently the services and retail sectors have driven growth, but August data suggested a boost from manufacturing. Meanwhile, financial services continued to outperform the wider economy with new business increasing at the fastest pace in the year. This prompted the sharpest rise in hiring by financial services firms since October 2021."

– ENDS –



ABOUT THE QATAR FINANCIAL CENTRE

The Qatar Financial Centre (QFC) is an onshore business and financial centre located in Doha, providing an excellent platform for firms to do business in Qatar and the region. The QFC offers its own legal, regulatory, tax and business environment, which allows up to 100% foreign ownership, 100% repatriation of profits, and charges a competitive rate of 10% corporate tax on locally sourced profits.

The QFC welcomes a broad range of financial and non-financial services firms.

For more information about the permitted activities and the benefits of setting up in the QFC, please visit qfc.qa

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MEDIA CONTACTS

QFC: Rasha Kamaledine, Marketing & Corporate Communications Department, r.kamaledine@qfc.qa

ENQUIRIES ABOUT THE REPORT

QFC: qatarpmi@qfc.qa

ABOUT S&P GLOBAL

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise, and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges, and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity, and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com.

ABOUT PMI

Purchasing Managers' Index™ (PMI™) surveys are now available for over 40 countries and for key regions including the Eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

<https://ihsmarkit.com/products/pmi.html>.



METHODOLOGY

The Qatar Financial Centre PMI™ is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 450 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include manufacturing, construction, wholesale, retail, and services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

Data were collected 10-23 August 2023.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

CONTACT

S&P Global: Sabrina Mayeen | T. +44 (0) 7967 447030 | E. [Sabrina.mayeen@spglobal.com](mailto: Sabrina.mayeen@spglobal.com)